Q. **Reference: Regulated Activities Evidence**

Please provide a detailed explanation as to why the "Rural and Losses" value for the "Change in 2011" column is significantly higher than all of the other "Rural and Losses" values. (Regulated Activities Evidence, page 2.35, Table 2.14)

A. Table 1 below page provides the breakout of the Rural load component in the "Rural and Losses" line item of Table 2.14, Regulated Activities Evidence, page 2.35. The year-over-year changes in Newfoundland Power consumption are also included for comparison purposes. As can be seen, the biggest driver of the year-over-year increase in "Rural and Losses" (41.4 GWh) is the Rural component (31.1 GWh). As indicated in Section 2.5.1, on Page 2.36 of the Regulated Activities Evidence, this was a reflection of a return to normal weather patterns and higher Utility load, in general.

Table 1

	2007 Actual	2008	2009	2010	2011	2012	2013 Test Year
Newfoundland Power	4,990.7	4,959.8	5,108.0	5,016.2	5,317.5	5,359.3	5,594.3
YOY Increase (Decrease) - GWh		(30.9)	148.2	(91.8)	301.3	41.8	235.0
YOY Change - %		-0.6%	3.0%	-1.8%	6.0%	0.8%	4.4%
Hydro Rural Interconnected	400.0	411.7	415.3	406.5	437.6	445.6	447.3
YOY Increase (Decrease) - GWh		11.7	3.6	(8.8)	31.1	8.0	1.7
YOY Change - %		2.9%	0.9%	-2.1%	7.7%	1.8%	0.4%
Hydro Rural Int. + Losses (GWh)	582.1	607.7	610.8	616.8	658.2	671.7	678.1
YOY Increase (Decrease) - GWh		25.6	3.1	6.0	41.4	13.5	6.4
YOY Change - %		4.4%	0.5%	1.0%	6.7%	2.1%	1.0%